Headquarters U.S. Air Force

Integrity - Service - Excellence

Generic RFP

Capt Allen Thibeaux
AF Center for Environmental Excellence
AFCEE/HDP

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Overview

- Purpose
- Process
- The Rules
- Content

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Purpose

- Document existing conditions
- Define Requirement
- Outline submittal requirements
- Detail evaluation criteria
- Example Legal Documents

United States Department of the Air Force

Headquarters, Air Force Materiel Command (AFMC)

Air Force Center for Environmental Excellence (AFCEE)

Privatization of Military Family Housing
Hill Air Force Base, Utah

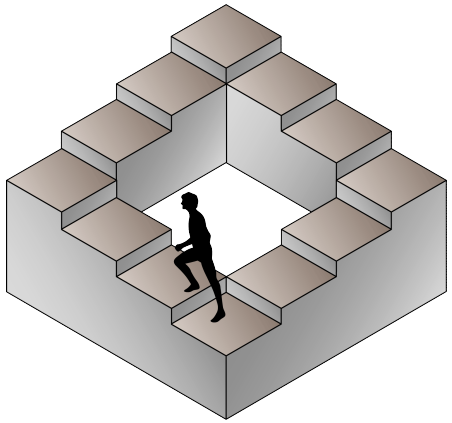
Solicitation Number: AFCEE-02-0003

REQUEST FOR PROPOSAL

U.S. AIR FORCE

Process

Gray Text Approval Process



ESG

RFP Review Committee

AFCEE/HDP Project Managers

Project Teams

- AFCEE/HDP
- AFCEE/JA
- AFCEE/ACH
- AF/ILEHM

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Process
Creating a Project RFP

ESG and OSD Approvals

HQ AF Review

MAJCOM Review/ Approval

Project Teams

AFCEE Review

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The Rules
What can be changed

Red font text denotes general instructions to the RFP editor or generic character fields that must be replaced with project-specific information

Gray-highlighted text denotes sections and/or text that is not to be changed without ESG approval

Turquoise-highlighted text denotes sections and/or text that demand a cross-check for the most current reference and/or internet address

Yellow-highlighted text denotes specific sectional notes and/or directions that are provided as comments throughout the document

Black font text denotes standard text that may be replaced with project-specific information, if necessary

Content

- To be used for FY02 and later projects
- Broken down into six sections and 28 Appendices
  - **Section 1:** Executive Summary
  - **Section 2:** Existing Conditions
  - **Section 3:** Project Arrangements, Requirements, and Management
  - **Section 4:** Instructions to Offerors
  - **Section 5:** Basis of Selection
  - **Section 6:** Reference Sources and Points of Contact
  - **Appendices A through Z, N1** (some may not be applicable)

Generic RFP

- **Section 1.0 Executive Summary**
  - **1.1 Authority**
  - **1.2 Housing Goal**
  - **1.3 Project Summary**
  - **1.4 Key Controlling Documents**

SECTION 1.0 EXECUTIVE SUMMARY

1.1 AUTHORITY

Pursuant to The National Defense Authorization Act for Fiscal Year (FY) 1996, Public Law (P.L.) 104-106, Title XXVIII, Subtitle A-Military Housing Privatization Initiative (MHPI) (codified at 10 United States Code (U.S.C.) Sections 2871-2885 as amended), the Department of the Air Force is soliciting proposals from qualified entities interested in entering into a business arrangement with the Government.

The Air Force has determined that the legislative authorities listed below will not be used in this transaction.

- Differential Lease Payments (codified at 10 U.S.C. Section 2877 as amended)
- Investments (codified at 10 U.S.C. Section 2875 as amended)

All authorities can be accessed at the following Web site:

http://www.defenselink.mil/acq/installation/hrso/la.htm

1.2 HOUSING GOAL

The goal of the Basename Air Force Base (AFB) privatization initiative is to provide its military families access to safe, secure, quality, affordable, well-maintained housing in a military community where they choose to live.

Privatization will accelerate housing improvements, alleviate housing shortages, and reduce waiting times for adequate housing, ultimately improving morale of Air Force personnel. Since traditional Military Construction (MILCON) funds are unavailable to meet this goal in a timely manner, Government officials have determined that the best solution is to use privatization to leverage available resources.

bedroom multiplex units. Most if not all of the new units will be sited on Parcel B. A limited number of the newly constructed units may be sited on Parcel C. Other required improvements to be renovated or constructed by the SO are identified in Section 3.0.

1.3.1.5 Project Development Demographics

The chart below, arranged by military pay grade, reflects the anticipated demand for housing for the development. Project requirements in Section 3.0 are based on these demographics. The SO shall demonstrate in its proposal how to satisfy this demand.

Table 3 – Project Development Demographics

	2 BEDROOM UNITS	3 BEDROOM UNITS	4 BEDROOM UNITS
O–7 to O–10 (General Officer)	XXX	XXX	XXX
O–6 (Senior Officer)	XXX	XXX	XXX
O–5	XXX	XXX	XXX
O–4	XXX	XXX	XXX
O–3	XXX	XXX	XXX
O–2	XXX	XXX	XXX
O–1	XXX	XXX	XXX
E–9	XXX	XXX	XXX
E–8	XXX	XXX	XXX
E–7	XXX	XXX	XXX
E–6	XXX	XXX	XXX
E–5	XXX	XXX	XXX

Generic RFP

- **Section 2.0 Existing Conditions**
  - **2.1 General Existing Conditions**
  - **2.2 Parcel A**
  - **2.3 Parcel B**
  - **2.4 Refuse And Recycling**
  - **2.5 Snow & Ice Removal**
  - **2.6 Grounds Maintenance**
  - **2.7 Other Contracts**

[Indicate base specific information.]

2.3.2 Housing Units

[Indicate base specific information.]

2.3.3 Environmental

[Indicate base specific information.]

2.3.4 Infrastructure

2.3.4.1 Electric

[Indicate "not applicable" or provide system information.]

[Address overhead/underground distribution, primary/secondary lines, transformers, street lighting, etc.]

2.3.4.2 Natural Gas

[Indicate "not applicable" or provide system information.]

2.3.4.3 Water

[Indicate "not applicable" or provide system information.]

2.3.4.4 Sewer

[Indicate "not applicable" or provide system information.]

2.3.4.5 Storm Drainage

[Indicate "not applicable" or provide system information.]

2.3.4.6 Telephone

[Indicate "not applicable" or provide system information.]

2.3.4.7 Computer Network Lines

[Indicate "not applicable" or provide system information.]

Generic RFP Section 3

- **Section 3.0 Project Arrangements, Requirements, and Management**
  - **3.1 Summary**
  - **3.2 Business Arrangements, Financial Plan and Structure**
  - **3.3 Design and Construction Requirements**
  - **3.4 Property Management**
  - **3.5 Environmental Compliance**

3.2 BUSINESS ARRANGEMENTS, FINANCIAL PLAN, AND STRUCTURE

3.2.1 Legal Instruments

The Government anticipates that some limited revisions may be made to the instruments solely for the purpose of ensuring that the documents are consistent with the Selected Proposal and the Government's requirements for the development. At or before the time of the closing, the Government and the SO will execute all applicable instruments, and the SO shall enter into possession of the property and commence performance of its obligations under the Selected Proposal. The Government anticipates that the documents to be executed may include, but are not limited to, the following:

- Lease of Property (Appendix U), with a companion Operating Agreement (Exhibit E)
- Quitclaim Deed or Bill of Sale (Appendix V)
- Use Agreement also known as Restrictive Covenants (Appendix X)

  [Indicate as "not applicable" if all privatized housing is on federal land.]
- Forward Commitment (Appendix M)
- Intercreditor Agreement (Appendix P)
- Military Housing Loan Guaranty Agreement (Appendix R)
- Note for Government Limited Guaranteed Loan (Appendix S)
- Mortgage for Government Limited Guaranteed Loan (Appendix S)
- Note for Government Direct Loan (Appendix N)
- Mortgage for Government Direct Loan (Appendix N)
- Agreement to Share Proceeds (Appendix N-1)
- Lockbox Agreement (Appendix Q)
- SO Counsel Opinion Letter (Appendix Y)

reason, the SO acknowledges that the Government will not be held responsible for the results of such changes and that the SO remains responsible for any property taxes assessed.

3.2.5 Lockbox Accounts

On or before closing, the SO shall enter into a Lockbox Agreement (Appendix Q). All revenues from the project shall be directly deposited into an account at a federally insured depository institution approved in advance in writing by the Government. This account and its subaccounts shall be executed and maintained in accordance with the Lockbox Agreement (Appendix Q). The Lockbox Agreement (Appendix Q) reflects the priority of application of project revenues. Any changes in Lockbox priorities require prior written Government consent. At a minimum, the Lockbox Account shall include the following reserve and escrow accounts:

3.2.5.1 Windfall Income Account

The Government requires the SO to establish and maintain a federally insured, interest-bearing account to be known as the Windfall Income Account into which it will deposit, on a monthly basis, the Windfall Income. "Windfall Income" is defined as that portion of the SO's gross income attributable to changes in the Basic Allowance for Housing (BAH) due to the Secretary of Defense Cohen Initiative to eliminate out-of-pocket expenses by 2005.

The SO shall disburse 100% of the contents of the Windfall Income Account in the following priority order:

- Pay principal on any Government Direct Loan
- Pay principal on any private loan guaranteed by the Government
- Transfer money to the Reinvestment Account.

3.2.5.2 Lockbox Revenue Account

The SO shall establish and maintain this account that receives all Project Income and any other amounts otherwise required to be deposited by the Lockbox Agent therein

- Road and trail connectivity among all housing areas

3.3.5 New Housing Construction

This section applies to the design and construction of all new housing units.

3.3.5.1 General Guidelines

Offerors' designs and construction shall comply with all applicable codes, standards, and regulations, meet basic requirements described herein, and shall be appropriate to the climate and lifestyle of the area. Offerors should provide innovative design and construction techniques conforming to local market (private sector) standards for quality housing. The local market area is defined as within a 60-minute or 20-mile commute (whichever is greater) during peak driving conditions. Offerors shall exercise best professional judgment in choice of style, type, design, configuration, functional solutions, and materials in their proposals. Each housing area shall have an identification sign at the entrance of each neighborhood.

3.3.5.1.1 Floor Plans

Floor plans shall incorporate orderly arrangement of functions, minimize circulation, and maximize open spaces. Designs shall provide inviting entrances, indoor/outdoor integration, and pleasing interior appearance. Kitchens shall have a modern, well-organized work area with quality fixtures, appliances, and finishes. Layout of bathrooms shall follow modern planning techniques and utilize quality fixtures. Maximized storage space is an essential element due to the mobility of Air Force families. Interior storage shall include conveniently located and adequately sized cabinets and coat, linen, pantry, bulk storage, and clothes closets. Exterior storage shall include maximized space for bikes, mowers, etc.

3.3.5.1.2 Handicap Accessibility

At least 5% of the housing units shall be either handicap accessible, or

3.4 PROPERTY MANAGEMENT

Ability to properly manage the proposed project is critical to the long-term viability of the development. The SO's approved, final plans identified in this section are to be incorporated into the Operating Agreement (Exhibit E of Appendix U) to govern day-to-day Property Management of the project.

3.4.1 Property Operations and Management Plan

Offeror shall establish a Property Operations and Management Plan for the privatized housing throughout the 50-year project term. The plan shall describe the approach to day-to-day operations of the housing development. The plan shall encompass on-site property management staffing and functions, occupant relations, interface with the Management Review Committee (MRC) and other property management requirements. The Offeror shall also include a copy of the Property Management Contract. The MRC is discussed in the Lease of Property Operating Agreement (Exhibit E of Appendix U). The on-site property management office shall be staffed with professionally trained management and maintenance staff who will interface with military members and their families. The property manager shall be certified by a nationally recognized professional property management association. The fee for the property manager shall be expressed as a percentage of gross rents and shall compensate the property manager for the provision of all services.

3.4.2 Unit Occupancy Plan

Offerors shall establish a Unit Occupancy Plan to include, but not be limited to, maintaining demographics and the requirements of this section. The Government will not guarantee occupancy of the units. However, the Basename AFB Housing Management Office (HMO) will provide Referral Tenants. All military personnel assigned to the local area are required to process through the Basename AFB HMO upon arrival prior to signing a lease for housing. Freedom of housing choice (except where restrictive sanctions apply) shall be preserved. The SO shall compile and maintain a waiting list per the Lease of Property (Appendix U).

3.4.2.1 Referral Tenant

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Priority List For Other Eligible Tenants

Tenant Waterfall in descending order of priority :

1. **Other Active Duty Military Members/Families including Unaccompanied Military Members**
2. **Federal Civil Service Employees**
3. **Retired Military Members/Families**
4. **Guard and Reserve Military Members/Families**
5. **Retired Federal Civil Service**
6. **DoD Contractor/Permanent Employees (US Citizens)**
7. **General Public**

Generic RFP Section 4

- Section 4.0 Instructions to Offerors
  - 4.1 Provisions
  - 4.2 Submission of Offers
  - 4.3 Submittal Requirements
  - 4.4 Proposal Packaging
  - 4.5 Execution of Proposal
  - 4.6 Late Submissions, Modification, and Withdrawals of Proposals
  - 4.7 Evidence of Dates and Times of Mailing Receipts
  - 4.8 Restrictions on Project Participation
  - 4.9 Resolution of Administrative Details
  - 4.10 Restriction on Disclosure and Use of Data

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Generic RFP
Section 4 (cont.)

- **Section 4.0 Instructions to Offerors**
  - **4.11 General Information**
  - **4.12 Successful Offeror Information**
  - **4.13 Electronic Copies**
  - **4.14 Qualifications Submittal (Step One)**
  - **4.15 Volume I: Qualifications**
  - **4.16 Volume II: Past Performance**
  - **4.17 Financial and Technical Proposal (Step Two)**
  - **4.18 Volume III - Financial**
  - **4.19 Volume IV – Design and Construction**
  - **4.20 Volume V – Property Management**

4.17 FINANCIAL AND TECHNICAL PROPOSAL (STEP TWO)

This section explains the submittal requirements of Step Two: Financial and Technical Proposal. In addition to the requirements set forth below, the Offeror shall calculate and submit an OMB scoring summary to include the proposed Scored Amount associated with their proposal. The Government also reserves the right to require a Step Two Offeror to submit written proof of the availability of the equity and debt financing, as well as the additional financial support proposed in the Volume III submittals for Subfactors 1.2 (Financial Strategy) and 1.3 (Government Participation in Project Financing), identified in the Offeror's Financial and Technical Proposal. The Government may serve notice of this requirement at any time before award.

4.17.1 Submittal Requirements

The submittal requirements for Step Two are:

Table 12 – Financial and Technical Proposal Submittal (For Down Selected Offerors Only)

VOLUME[1]	DESCRIPTION	NUMBER OF SUBMITTALS	PAGE LIMIT[2]
III[3]	Financial	One original, four copies, and one electronic copy[4]	45 pages
IV	Design and Construction	One original, four copies, and one electronic copy[4]	60 pages
V	Property Management	One original, four copies, and one electronic copy[4]	60 pages

NOTES:

1. The Government's representative will establish a due date for proposals. All submittal dates will be identified in the notification letter.

2. Any pages exceeding the limits set forth above will be destroyed and not evaluated. Supporting data such

Generic RFP Section 5

- **Section 5.0 Basis of Selection**
  - **5.1 Strategy**
  - **5.2 Evaluation Factors and Subfactors and Their Relative Order of Importance**
  - **5.3 Step One Qualification Ratings**
  - **5.4 Step One Past Performance Confidence Assessment**
  - **5.5 Step Two Color Ratings**
  - **5.6 Project Requirements**

http://www.postbulletin.com/nie/winnerscircle/horses.jpg

Table 13 – Evaluation Factors and Subfactors – Order of Importance

STEP	FACTORS/SUBFACTORS	ORDER OF IMPORTANCE
STEP ONE (QUALIFICATIONS SUBMITTAL)	Factor 1: Business Arrangements Subfactor 1.1: Team Strength Subfactor 1.2: Key Personnel and Management Approach Factor 2: Financial Subfactor 2.1: Financial Statements Subfactor 2.2: Project Financing Subfactor 2.3: Credit References Factor 3: Project Concept Subfactor 3.1: Project Concept Factor 4: Past Performance	Step One Factors are of equal importance. Subfactors within factors are in descending order of importance.
STEP TWO (FINANCIAL AND TECHNICAL PROPOSAL)	Factor 1: Financial Subfactor 1.1: Project Viability over the 50-year Business Arrangement Subfactor 1.2: Financial Strategy Subfactor 1.3: Government Participation In Project Financing Subfactor 1.4: Mechanics of Accounts Factor 2: Design and Construction Subfactor 2.1: Community Development Plan Subfactor 2.2: Facility Design and Construction	Step Two factors are of equal importance. Subfactors 1.1 through 1.4 are of equal importance. Subfactors 2.1 and 2.2 are of equal

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- **Section 6.0 Reference Sources and Points of Contact**
  - **6.1 Documentation**
  - **6.2 Clarifications**
  - **6.3 City Points of Contact**

http://www.lookstein.org/images/books.jpg

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Generic RFP
List of Appendices

- **Appendix A - Glossary**
- **Appendix B - Existing Inventory**
- **Appendix C - General Concept Map**
- **Appendix D - Housing Waiting List Data**
- **Appendix E - Utility Sales Rates**
- **Appendix F - Technical References**
- **Appendix G - New Construction Standards *or* N/A**
- **Appendix H - Offeror's Cover Page**
- **Appendix I - Non-Disclosure Agreement**
- **Appendix J - Past Performance Questionnaire**

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List of Appendices (Cont'd)

- **Appendix K - Mandatory Forms**
- **Appendix L - Environmental Considerations Checklist *or* N/A**
- **Appendix M - Forward Commitment**
- **Appendix N - Government Direct Loan and Associated Legal Instruments**
- **Appendix O - Borrower Application Form and Instructions**
- **Appendix P - Intercreditor Agreement**
- **Appendix Q - Lockbox Agreement**
- **Appendix R - Military Housing Loan Guaranty Agreement**

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List of Appendices (Cont'd)

- **Appendix S - Government Limited Guaranteed Loan and Associated Legal Instruments**
- **Appendix T - Guaranteed Lender Eligibility Form and Instructions**
- **Appendix U - Lease of Property *or* N/A**
- **Appendix V - Quitclaim Deed or Bill of Sale**
- **Appendix W - Mandatory Tenant Lease Clauses**
- **Appendix X - Use Agreement *or* N/A**
- **Appendix Y - Mandatory SO Counsel Opinion Letter**
- **Appendix Z – Mandatory Clauses Required by Federal Law**

Additional Resources

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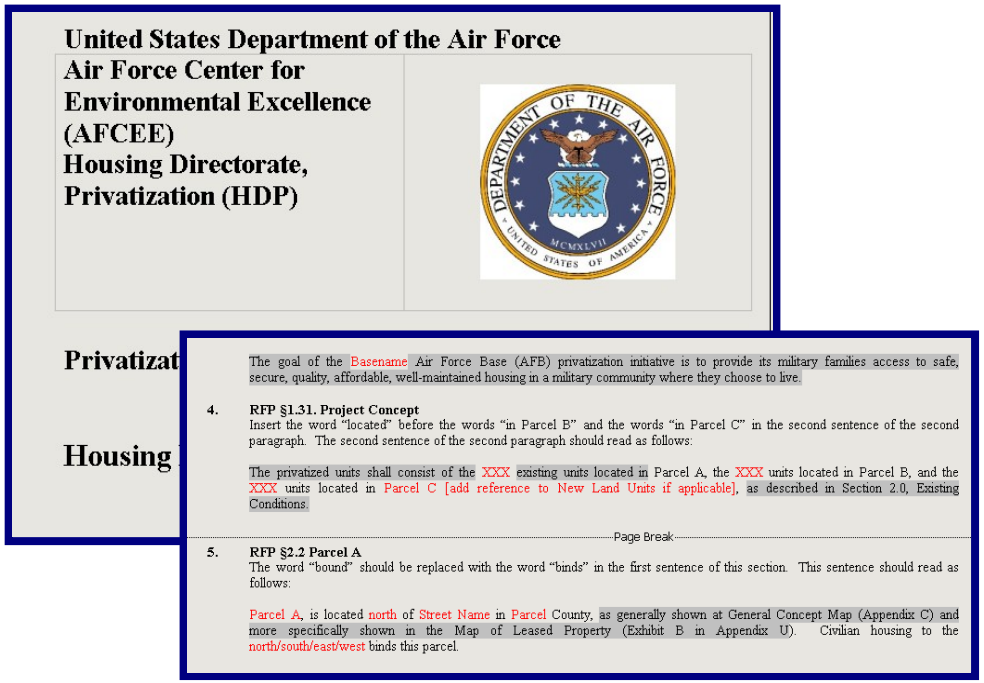
RFP Changes
Revision Ledger

- Track quarterly changes to RFP
- Essential document for frequent users


United States Department of the Air Force
Air Force Center for Environmental Excellence (AFCEE)
Housing Directorate, Privatization (HDP)

Privatizat

Housing

The goal of the Basename Air Force Base (AFB) privatization initiative is to provide its military families access to safe, secure, quality, affordable, well-maintained housing in a military community where they choose to live.

4. **RFP §1.31. Project Concept**
Insert the word "located" before the words "in Parcel B" and the words "in Parcel C" in the second sentence of the second paragraph. The second sentence of the second paragraph should read as follows:

The privatized units shall consist of the XXX existing units located in Parcel A, the XXX units located in Parcel B, and the XXX units located in Parcel C [add reference to New Land Units if applicable], as described in Section 2.0, Existing Conditions.

Page Break

5. **RFP §2.2 Parcel A**
The word "bound" should be replaced with the word "binds" in the first sentence of this section. This sentence should read as follows:

Parcel A, is located north of Street Name in Parcel County, as generally shown at General Concept Map (Appendix C) and more specifically shown in the Map of Leased Property (Exhibit B in Appendix U). Civilian housing to the north/south/east/west binds this parcel.

http://www.afcee.brooks.af.mil/dc/dcp/news/default.asp?topicID=9

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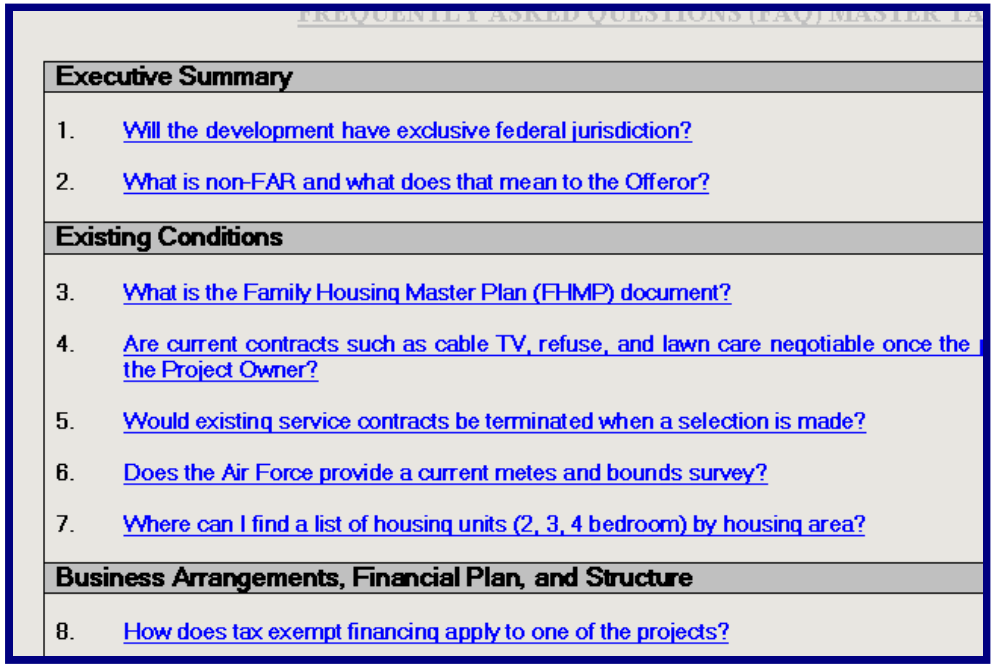
Frequently Asked Questions Master Table

- Sources
  - Industry Forums
  - Installations
  - PSCs
  - Offerors



FREQUENTLY ASKED QUESTIONS (FAQ) MASTER TA

Executive Summary	
1.	Will the development have exclusive federal jurisdiction?
2.	What is non-FAR and what does that mean to the Offeror?
Existing Conditions	
3.	What is the Family Housing Master Plan (FHMP) document?
4.	Are current contracts such as cable TV, refuse, and lawn care negotiable once the the Project Owner?
5.	Would existing service contracts be terminated when a selection is made?
6.	Does the Air Force provide a current metes and bounds survey?
7.	Where can I find a list of housing units (2, 3, 4 bedroom) by housing area?
Business Arrangements, Financial Plan, and Structure	
8.	How does tax exempt financing apply to one of the projects?

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Information Management

- **Information Management Resources**
  - **Delta View Software**
  - **Table of Comments**
  - **Electronic Media**
  - **Revision Ledger**
  - **Document Catalogs**
  - **Hard Copy Files**
  - **Committee Meetings**
  - **FAQ Master Table**
  - **Maps/Drawings (utilities, floor plans, etc.)**

- **Document Control Resides with AFCEE/HDP**

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Contact Information

Questions?

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